

Crapo Statement at Hearing on the President's 2024 Trade Policy Agenda
April 17, 2024

Washington, D.C.--U.S. Senate Finance Committee Ranking Member Mike Crapo (R-Idaho) delivered the following remarks at a hearing on the President's 2024 Trade Policy Agenda with United States Trade Representative (USTR) Katherine Tai.

As prepared for delivery:

"Thank you, Mr. Chairman. Welcome Ambassador Tai.

"I read the President's trade agenda carefully. If we measured wisdom by word count alone, President Biden's trade policy agenda would be wise. If we measured it in terms of creating meaningful opportunity for Americans, it is profoundly misguided—particularly in terms of its enforcement approach and negotiating ambitions.

"This Administration's enforcement record is the weakest of any Administration in 25 years. Although the Administration highlights regularly using the USMCA Rapid Response Labor Mechanism to help Mexican workers, that mechanism cannot supplant bringing cases to increase market openings for American workers.

"Such cases are sorely lacking. USTR has yet to take a single enforcement action against China, period—whether at the WTO, or under section 301, or under the Phase 1 deal. Nothing.

"When it comes to discriminatory treatment, our trading partners now expect USTR to simply 'note' that it is 'considering all options,' as it did with Canada's decision to move forward with discriminatory digital services taxes, and further expect that USTR's 'consideration of all options' is likely to be indefinite. For example, USTR has not advanced our case against Mexico's discriminatory energy policies for nearly two years now.

"Administration plans for negotiations fare no better than they do for enforcement. For the fourth year in a row, the Administration's trade agenda provides no plan for real negotiations to improve market access.

"Instead, the Administration lauds the Inflation Reduction Act, asserting that our workers need to be shielded, subsidized and micromanaged through industrial policy, even if it entails massively expanding our national debt.

"That is not only misguided, but as former Joint Chiefs of Staff Chairman Michael Mullen noted, our debt is, in fact, one of the top national security threats to the United States.

"What we need is market access. I recently traveled to Asia, the United Kingdom and to other partners. Our partners want to make real deals with high standards. They want to trade with us rather than China. And, they want to do it now. We should want that, too,

because each day we wait is another that Americans fall back further behind our competitors, including China.

“Make no mistake, tariffs matter, particularly for small businesses like our farmers. Australia and New Zealand each negotiated free trade agreements with Thailand, and, since then, demand for premium U.S. beef fell by 30 percent because our cattlemen face a 50 percent tariff while those two partners face none.

“Whether it be Idaho potatoes and dairy, or Iowa soybeans and pork, or South Dakota wheat, or Texas cotton and beef, or Washington State apples—our farmers are the best in the world. This is precisely why a large number of farm groups wrote to you Ambassador Tai on Monday asking for a real trade agenda and advancing dispute settlement reform so we can open markets for them.

“United States manufacturing, innovation, creative and tech industries are second to none. If the Administration will not negotiate tariffs, it should at least help workers in these industries by negotiating critical rules on technical barriers to trade, intellectual property and key digital trade provisions such as on non-discrimination and free data flows. Thus far, USTR has failed to do so in any of the so-called framework negotiations—and the trade agenda indicates this will continue.

“This benefits China, which is aggressively participating in international standards-setting bodies, pushing technology transfer and supporting data localization by countries, which could require our companies to store data on servers that are produced by Chinese companies such as Huawei, rather than on ones we host in the United States.

“The proposals the Trump Administration crafted in coordination with this committee for USMCA for technical barriers to trade, for intellectual property and for digital trade ensured we could regulate and also rise to China’s challenge. Simply abandoning coordinated and reasoned proposals without consulting Congress—is a profound mistake.

“I urge my colleagues, to remember when this Administration told us that comprehensive, congressionally approved trade agreements are a 20th century tool. Its vision of the future though is piecemeal frameworks done as executive agreements, devoid of any real enforcement mechanisms.

“Ambassador Tai, the members of this Committee know that attempts to bypass Congress are neither new nor groundbreaking. And, they also know that such efforts are not sufficient or truly effective in creating the types of opportunities our citizens deserve. It is well past time this Administration begin working with Congress to meaningfully expand market access opportunities.”